

THE DEPARTMENT OF STATE BULLETIN

MAY 27, 1944

VOL. X, No. 257—PUBLICATION 2134

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The War

CERTAIN ASPECTS OF OUR ECONOMIC POLICY TOWARD THE EUROPEAN NEUTRALS

By *Livingston T. Merchant*¹

When the United States entered the war in December 1941, the European neutrals assumed a new significance for this Government. From that moment two tests had to be applied to them: how much economic support could they give our war effort and how much help were they giving the enemy. This help to the enemy included opportunities for espionage and the dissemination of propaganda; and, in certain cases, it included, through the export of strategic materials, important and direct economic support to the German war-machine. The effort to cut off economic aid to the Axis has been one phase of total war which for obvious reasons has received little publicity. Important results have, however, been achieved.

In reviewing the effort to eliminate all economic assistance to the Axis on the part of the European neutrals one has to consider only five countries: Switzerland, Sweden, Spain, Portugal, and Turkey. The geographic situation of these five countries in relation to Germany and to German-occupied territory permits the physical movement of raw materials or of other goods with regularity and on a significant scale. One must remember also, in considering the economic-warfare problems posed by the position of these countries, that the situation of each varies greatly. The five have little in common except non-belligerency. There has remained in this war a lingering and confusing tendency to lump the few remaining non-belligerent countries in Europe into one group and conveniently refer to it as the "European neutrals". This tendency is a relic of earlier smaller wars; today it is totally unreal. One can reasonably assume that the primary reason why Hitler has not long since occupied these countries is that his military advisers have coldly calculated that

the necessary military investment would provide the Wehrmacht with too low a strategic and economic dividend. The escape of these countries from Nazi occupation has not been, therefore, exclusively an individual choice freely exercised.

To emphasize the dissimilarities of these countries one needs only to recall that Sweden and Switzerland are "islands" surrounded by Germany or by German-controlled areas. Turkey and Portugal have treaties of alliance with Great Britain. Spain, a dictatorship under debt to Hitler, is neither island nor ally.

Common factors are, however, evident. In 1940 and in 1941 each of these countries was trading heavily with the Axis, but each was dependent, to some degree, on imports from overseas which the Axis could not supply. To deal with this economic problem the British threw into gear in September 1939 carefully laid plans for the application of an economic blockade against Germany and Italy. The main features of such a blockade were born in the experience of the first World War. It was naturally designed to meet the military and economic realities which the British faced at the start of World War II. The basic premises of the blockade were two in number: first, the naval forces at the disposal of Great Britain and its Allies at that time were insufficient to impose an absolute embargo by men-of-war patrolling every mile of Europe's coastline; second, the neutrals possessed a right to maintain normal trade relations with the enemy. The blockade, therefore, rested for effectiveness at least as much upon the consent of the neutrals as upon the guns of the British Navy. The implements with which the

¹The author of this article is Chief of the Eastern Hemisphere Division of the Department of State.

blockade was enforced included the use of a special type of trade treaty known as the "war trade agreement."

Soon after the outbreak of war in 1939, Great Britain negotiated individual war trade agreements with most of the European neutrals. Although not identical, these agreements closely resembled each other. Turkey, however, was an exception. The guiding principle in each case was the establishment of blockade quotas for the goods received from overseas.

The goods covered by these specific quotas as well as the size of each individual quota were based on an estimate of the normal requirements of the country in question. In return for permission to import through the blockade goods under quota in the amounts set for each quarter, each neutral agreed not to reexport the materials which thus passed through the blockade. Certain other restrictions, varying from country to country in accordance with the strength of Great Britain's bargaining position at the time of the negotiation, were imposed upon the size and character of the neutral's trade with the enemy. Machinery was established in London for the purpose of scrutinizing each individual shipment to a neutral by water. If the particular consignment was approved as being within the quarterly blockade quota, a passport, known as a "navicert," was issued. This gave the shipment safe passage through the blockade. Other components of the blockade were certain fiscal controls and the black list. These denied to enemy individuals and enemy concerns or to those denounced as agents of the enemy in neutral areas trading privileges with the Allies.

In appraising the form and effectiveness of these agreements, one must not forget that the Germany of 1939 to 1943 was vastly different from what it is today. Even last year it had military forces to spare in addition to a powerful air force. The threat of the Luftwaffe brooded over the neutral negotiators every time they sat down at a conference table with the enemies of Germany. Nor was Germany ever averse to punctuating a disappointment over a withheld export license or an unfulfilled commitment by torpedoing on the high seas a neutral ship in whose captain's safe rested a German safe-conduct.

These considerations limited the freedom of choice of the neutrals. The Allies also operated under restraints. At times vital supply needs imposed a limitation which might then be met only from a particular neutral source. The threat of such loss strengthened the hand of the neutral in its negotiation with us, and by the same token forced us sometimes to stay our own hand.

In order to reduce the economic aid to the enemy which was within limits perforce admitted under the war trade agreements, the British made substantial internal purchases from certain countries of materials that they did not necessarily need, but which the enemy required. Operations of this sort, designed to deny enemy acquisitions at the source, were labeled by the British as "preemption." The United States has tended to call them "preclusive purchases."

When this country entered the war in December 1941 it became a partner in the economic-warfare system that the British had established and operated. Thereupon the United States Government took various steps to adapt its existing economic controls and to adopt new measures necessary to implement the partnership. Among the measures was a provision for cooperating with the British on a joint basis in preclusive operations in certain neutral countries.

The Allies' economic policy toward the neutrals in 1942 moved along much the same lines as in 1941 before the United States entry into the war. Secretary Hull, in his speech on April 9, 1944,¹ spoke of our efforts in every direction to reduce the aid which the neutrals by their trade gave the enemy and simultaneously to increase the strength which we might draw from them. The limits on our power continually forced the acceptance of compromises which we would not have freely chosen. The economic and the growing military force which followed the entry of the United States into the war, however, enabled the adoption of steadily intensified economic operations and increasing pressure on the neutrals to gain the avowed objective of the total withdrawal of their economic support to the enemy. Preclusive purchasing operations were multiplied in range and expenditure, and the results became increasingly

¹ BULLETIN of Apr. 15, 1944, p. 336.

apparent. Certain of the war trade agreements were renegotiated, and, in the case of at least one, the country concerned became an equal partner with the British in the new agreement.

The year 1943 saw a further rise in the combined power of the Allies. This factor, coupled with the growing scarcity of vital raw materials throughout the world, enabled us to drive harder bargains and to exact greater concessions from the neutrals in our economic relations. The help they gave the enemy continued. It was clearly declining, but it was still substantial. The number of Allied cruisers to be spared for the interception of neutral ships was increasing. The interception of neutral ships, which were brought into contraband-control bases and which were searched by experts, discouraged illicit shipments through the blockade and tightened still further the economic noose on Germany. In 1943 enemy blockade runners from the Far East, as newspaper readers are now aware, suffered a savagely high mortality, which placed additional pressure on the German war-machine.

Throughout the war the economic-warfare agencies of the British and the United States Governments have worked closely with the highest military authorities. They have maintained a constant interchange of information and recommendations concerning the military pressure, through bombing, economic measures, negotiation, or other actions, that could do the most damage. One should recognize, however, that the highest military strategy at times required that the maximum economic pressure not be exerted against a particular country, or occasionally even that economic benefits be conferred for reasons which might bear no apparent relation to the facts available to the public. This observation is made not to extenuate the failures where they have been encountered in our economic warfare, but rather to emphasize the intimacy of the relationship between military and economic warfare.

The time has come when this Government, in the effort to shorten the war, has made abundantly clear the fact that the neutrals of Europe must cease their aid to Germany. Secretary Hull, in his speech of April 9, 1944, said:

"We can no longer acquiesce in these [neutral] nations' drawing upon the resources of the allied

world when they at the same time contribute to the death of troops whose sacrifice contributes to their salvation as well as ours. We have scrupulously respected the sovereignty of these nations; and we have not coerced, nor shall we coerce, any nation to join us in the fight. We have said to these countries that it is no longer necessary for them to purchase protection against aggression by furnishing aid to our enemy—whether it be by permitting official German agents to carry on their activities of espionage against the Allies within neutral borders, or by sending to Germany the essential ingredients of the steel which kills our soldiers, or by permitting highly skilled workers and factories to supply products which can no longer issue from the smoking ruins of German factories. We ask them only, but with insistence, to cease aiding our enemy."

When we have achieved that objective completely we can confidently count on a shortening of the war as a direct result. From that time forward the direction of our economic policy toward the neutrals will be in large part controlled by the necessity of reintegrating their resources and their productive capacity into the economy of Europe at peace.

LEND-LEASE OPERATIONS

Letter of the President to Congress Transmitting the Fifteenth Quarterly Report

[Released to the press by the White House May 22]

The following letter of the President to the Congress, dated May 22, 1944, accompanied a report on lend-lease operations for the period ended March 31, 1944:¹

TO THE CONGRESS OF THE UNITED STATES OF AMERICA:

I am submitting herewith the Fifteenth Report on Lend-Lease Operations for the period ending March 31, 1944.

United Nations forces are now about to strike new and mightier blows at Nazi-occupied Europe from offensive bases in the West, the South, and the East. The fighting men of many nations have been banded together in combined operations. They are armed with the most powerful weapons

¹ Not printed herein.

that the combined resources and ingenuity of the United Nations can produce. They are ready to bring to bear their strength to continue the crushing process against the Nazis and the German war machine.

Our American forces will go into battle side by side with the men of Britain, France, Norway, Poland, Czechoslovakia, Netherlands and our other allies. At sea, warships flying many United Nations flags will escort the fleets. In the skies, the R. A. F. will join with the United States Army Air Forces in blasting the paths for our troops and in protecting them from air attack.

For this great undertaking, the United Nations fighting partnership has been made far stronger by lend-lease and reverse lend-lease. Through lend-lease we have made certain that every man in the forces of the other United Nations who goes into battle beside an American fighting man has what he needs to hit the common enemy as hard as possible. Through reverse lend-lease, the American Forces have been similarly aided by our allies with everything they had that we needed.

On the eastern European front also, arms and other war supplies provided by the United States and the British Commonwealth, will continue to strengthen the Soviet Armies for the new blows that will be timed with our advances.

In the Far East and the Pacific our offensives in New Guinea, in Burma, and against the Japanese fortress islands in the Central Pacific are proof that the battle for Japan is not waiting upon the successful conclusion of the battle against Nazi Germany. China is being helped to the utmost of our ability.

Decisive battles are ahead. Now, more than ever, it is vital to our own American Army and Navy and Air Forces, as well as to the forces of the other United Nations, that we continue to provide our fighting partners with the additional war supplies they need to supplement their own resources. Congress has again recognized this fact by its overwhelming vote to extend the Lend-Lease Act.

Only by uniting our full strength with the full strength of the other free peoples of the world have we moved from the defensive to the offensive, from defeats to victories. By maintaining our unity now we shall certainly achieve final victory.

By continuing our unity after the war we can assure a peace in which mankind can live and work and worship in peace, freedom, and security.

FRANKLIN D ROOSEVELT

CIVIL AVIATION¹

[Released to the press May 25]

The Chinese group, consisting of Mr. Chang Kia-
Ngau, Minister of Transportation; Major General P. T. Mow, Chinese Army Air Forces; and Mr. Liu Chieh, Chinese Minister and Counselor of the Embassy in Washington, has entered upon exploratory talks on civil aviation with an American group consisting of Ambassador Joseph C. Grew;² Assistant Secretary of State Adolf A. Berle, Jr.; Mr. L. Welch Pogue, Chairman of the Civil Aeronautics Board; Mr. William A. M. Burden, Assistant Secretary of Commerce; and Mr. Stokeley W. Morgan, Chief of the Aviation Division of the Department of State. The first conference was held on Monday, May 22, 1944, and another conference is expected to take place at an early date.

The Russian group which is to hold exploratory conferences with the same American group is now in Washington and consists of the following: Ambassador Andrei A. Gromyko; Lieutenant General L. G. Rudenko; Major General A. A. Avseevich; Major General N. I. Petrov; and Colonel P. F. Berezin. The first conference is expected to take place on Monday, May 29, 1944.

RELIEF SUPPLIES FOR AMERICAN PRISONERS OF WAR IN THE PHILIPPINES

[Released to the press May 23]

The War Prisoners' Aid of the Young Men's Christian Association was recently informed by its Stockholm office that the Japanese authorities in the Philippine Islands had extended permission to the neutral delegate there of the War Prisoners' Aid to purchase locally relief supplies to an amount not exceeding \$25,000 monthly for shipment to civilian internment and prisoner-of-war camps in the Philippine Islands. United States Government funds have been made available for expenditure by the War Prisoners' Aid delegate for this purpose. These funds are in addition to monthly

¹ BULLETIN of Apr. 1, 1944, p. 301.

² Mr. Grew is Director of the Office of Far Eastern Affairs, Department of State.

remittances of official funds which are being transmitted regularly through Swiss Government channels to the executive committees of civilian internment camps in the Philippine Islands under authorization obtained from the Japanese authorities in August 1943. Although information has been received that the American Red Cross relief supplies sent on the exchange vessels to Japan and Japanese-occupied territories, including the Philippine Islands, have been distributed by the Japanese authorities, permission has so far not been given by the Japanese Government for the inspection of civilian internment camps or of prisoner-of-war camps in the Philippine Islands by representatives of the Swiss Government, which represents American interests in the Far East, or by representatives of neutral organizations. The United States Government is continuing to press the Japanese Government to grant full reciprocity in this respect.

THE PROCLAIMED LIST: INCLUSION OF SWEDISH FIRMS

[Released to the press May 22]

With reference to a press report that consideration is being given to a complete blacklisting of all Swedish concerns having American connections, the Department of State stated on May 22, 1944 that no firm has been or will be included in the Proclaimed List merely because means of pressure may exist by reason of American connections. Firms are included in the Proclaimed List only because of activities on their part which assist the Axis war effort. None of the firms mentioned in the report is at the present time under consideration for inclusion in the list. The firms mentioned, with their American connections, were:

<i>Swedish company</i>	<i>Affiliate</i>
De Laval Augturbin	De Laval Steam Turbine Co.
Separator A.B.	De Laval Separator Co.
Svenska A.B. Gasaccumulator	Elastic Stop Nut Corp. of America
Svenska A.B. Gasaccumulator	American Gas Accumulator Co.
Electrolux Companies, Sweden	Electrolux Corp.
Kreuger & Toll (Enskilda Bank)	International Match Realization Co.
Telefonaktiebolaget, L. M. Ericsson	Teleric, Inc.
Fernstrom & Co., A.B.	Fernstrom Paper Mills, Inc.
Dick Bergman	Hoyland Steel Co., Inc.

Skandia Insurance Co. Hudson Insurance Co.
 Enskilda Bank, A.B. Fudicia Nineteen Corp.
 (owned by A.B. Providentia)

[Released to the press May 22]

The Interdepartmental Proclaimed List Committee took action on May 22, 1944 which will result in the inclusion of 38 additional Swedish firms in the supplement to the Proclaimed List to be issued on June 2. The inclusion of these firms is in line with the regular policy of the Committee of including in the list the names of firms in neutral countries who have assisted the Axis by engaging in trade with enemy territory to an unusual extent or in other ways. The names of other firms are currently under consideration for inclusion.

The names of the Swedish firms which will be included in the June 2 supplement to the Proclaimed List are:

A. R. Applequist Forvaltnings A/B
 A/B Kol and Transport
 A/B Ara
 A/B Ragnar Appelquist
 Bat-Tjanst A/B
 Swedish Yachts A/B
 Filip Anderson & Co., A/B
 Filip Anderson
 Anderson Line Ltd., A/B
 A/B Kinofa
 Forsakringsbolaget Bore Forlags A/B
 J. C. Hempel
 A/B International Shipping Service
 A/B Planeten
 Tessalla A/B
 Hofjuvelerare K. Anderson A. B.
 Hallbergs Guldsmidsaktiebolag, C. G.
 Guldvaruhuset A/B
 Ungerska Exportkontoret A/B
 Pallig, Walter Albert
 Trulsson, Frithiof Nils Hans
 A/B Transportbransle
 Lindstrom and Wadell A/B
 A/B Pallasfilm
 Metallkontor A/B
 E. Schlabach
 A/B Eltron
 Superfon P. Richter
 Sydprodukter A/B
 Guernio de Luca
 Rosenthals Specialaffar A/B
 Tyska Skolan A/B
 Avimat A/B
 Nordiskt Filmmotek A/B
 B. E. Berg
 Skandinaviska Berkefeld Filter A/B
 Janssen, Lebrecht Teodor
 Dufva, Dag Olaf

International Conferences, Commissions, Etc.

UNITED NATIONS MONETARY AND FINANCIAL CONFERENCE ¹

[Released to the press by the White House May 26]

President Roosevelt has called an international conference for the purpose of discussing proposals to meet post-war international monetary problems.

Invitations have been extended to all the United Nations and the nations associated with them in the war, requesting them to send official representatives to the United States for the Conference, which will begin on July first.

The delegates representing the United States will be headed by the Secretary of the Treasury, Henry Morgenthau, Jr.

A list of governments and authorities invited to participate in the Conference follows:

Australia	India
Belgium	Iran
Brazil	Iraq
Canada	Liberia
Chile	Luxembourg
China	Mexico
Colombia	Netherlands
Costa Rica	New Zealand
Cuba	Nicaragua
Czechoslovakia	Norway
Dominican Republic	Panama
Ecuador	Paraguay
Egypt	Peru
El Salvador	Philippine Commonwealth
Ethiopia	Poland
French Committee of National Liberation	Union of South Africa
Greece	Union of Soviet Socialist Republics
Guatemala	United Kingdom
Haiti	Uruguay
Honduras	Venezuela
Iceland	Yugoslavia

The Conference is expected to last several weeks.

All agreements worked out by the Conference subsequently will be submitted to the respective governments for approval.

A paraphrase of the circular note sent by the Secretary of State to the Washington missions,

inviting them to attend the United Nations Monetary and Financial Conference, follows:

The Secretary of State presents his compliments to Their Excellencies and Messieurs, the chiefs of mission or principal representatives of the governments and authorities of the United Nations and the nations associated with them in this war, and refers to the Joint Statement of Technical Experts ² recommending the establishment of an international monetary fund and outlining the principles for such a fund.

The Government of the United States feels that the joint statement marks an important step toward international economic cooperation in the post-war world and is confident that others have been equally gratified by this evidence of the desire of the United Nations and the nations associated with them in this war to cooperate in meeting post-war economic problems.

As a further step toward the realization of this objective, the President of the United States now proposes to call a United Nations conference for the purpose of formulating proposals of a definite character for an international monetary fund and possibly a bank for reconstruction and development. Of course, it would be understood that the delegates would not be required to possess plenipotentiary powers and that the proposals formulated at the meeting would be submitted to the several governments and authorities for acceptance or rejection.

Accordingly, telegraphic instructions have been issued to the chiefs of the appropriate diplomatic missions of the United States to extend on behalf of the President a cordial invitation for the respective governments and authorities to send one or more delegates to the United Nations Monetary and Financial Conference to convene in the

¹ To be held at Bretton Woods, N.H.

² Treasury Department press release of Apr. 21, 1944.

United States on July 1, 1944. The governments and authorities are being informed that the United States Delegation to the Conference will be under the chairmanship of the Secretary of the Treasury and that the names of the other United States delegates, as well as information concerning the site of the Conference and arrangements for the meeting, will be forwarded at a later date.

The Government of the United States, believing that the early formulation of precise proposals for an international monetary fund and a bank for reconstruction and development is of vital concern to all of the United Nations group, hopes that favorable replies to the invitations extended on behalf of the President will be received at the earliest possible moment, together with the names of all of the members of the respective delegations.

Mr. Hull will be glad to communicate from time to time to Their Excellencies and Messieurs, the chiefs of mission or principal representatives, detailed information concerning the arrangements for the forthcoming Conference.

DEPARTMENT OF STATE,

Washington, May 26, 1944.

FIRST PAN AMERICAN CONGRESS ON CRIMINOLOGY

[Released to the press May 27]

This Government has accepted the invitation of the Chilean Government to participate in the First Pan American Congress on Criminology, which will be held at Santiago, Chile, from May 29 to June 3, 1944. The President has approved the designation of the following officials of the Federal Bureau of Investigation, Department of Justice, as this Government's delegates to the meeting: Mr. Heber M. Clegg, Mr. John N. Speakes, and Mr. William L. Shea.

UNITED STATES NATIONAL COMMISSION OF THE PERMANENT AMERICAN AERONAUTICAL COMMISSION

[Released to the press May 27]

Reference is made to the Department's Press Release 464 of September 23, 1941¹ concerning the establishment of the United States National

Commission of the Permanent American Aeronautical Commission (Comisión Aeronáutica Permanente Americana), frequently referred to as C.A.P.A. The creation of the Permanent American Aeronautical Commission was provided for in a resolution of the Inter-American Technical Aviation Conference which was held at Lima, Peru, in September 1937. The purpose of the Commission is to forward the work incident to the unification and codification of international public and private air law and to develop and coordinate technical activities of mutual concern in the field of aeronautics among the American republics. The resolution of the Lima Conference also provided for the organization in each of the American republics of a national commission for the purpose of preparing projects and proposals for the consideration of the Permanent American Aeronautical Commission.

The terms of the original members of the United States National Commission having expired, the President has now approved the designation of the following persons as members of the United States National Commission of the Permanent Aeronautical Commission:

Mr. Oswald Ryan, Member, Civil Aeronautics Board, Department of Commerce, *chairman*

The Honorable Alfred L. Bulwinkle, Member of Committee on Interstate and Foreign Commerce, House of Representatives

The Honorable William A. M. Burden, Assistant Secretary of Commerce

The Honorable Bennett Champ Clark, Chairman, Committee on Interoceanic Canals, United States Senate

Lt. Col. Louis A. Johnson, Infantry Reserve, United States Army, former Assistant Secretary of War, Clarksburg, West Virginia

Mr. Arnold W. Knauth, Attorney, Admiralty and Shipping Section, Department of Justice

Mr. Stephen Latchford, Chairman, United States Section, International Technical Committee of Aerial Legal Experts

Mr. Stokeley W. Morgan, Chief, Aviation Division, Department of State

Dr. Francis W. Reichelderfer, Chief, Weather Bureau, Department of Commerce, and Vice Chairman, National Advisory Committee for Aeronautics

Mr. Theodore P. Wright, Director of the Aircraft Resources Control Office, Aircraft Production Board, War Department

¹ BULLETIN of Sept. 27, 1941, p. 238.

American Republics

FIFTEENTH ANNIVERSARY OF INAUGURATION OF AIRMAIL SERVICE BETWEEN THE UNITED STATES AND SOUTH AMERICA

[Released to the press May 23]

The following telegrams have been exchanged between President Roosevelt and His Excellency Manuel Prado, President of the Republic of Peru:

MAY 18, 1944.

Fifteen years ago today Pan American-Grace Airways Inc. began international airmail service between Peru and the United States, thus establishing a service which has contributed toward strengthening in the most efficient manner the bonds which unite both countries. On this agreeable* occasion I am pleased cordially to address Your Excellency, renewing the decision of my Government to contribute by all possible means within its grasp to the fortifying of the magnificent relations of good neighborliness existing between Peru and your great friendly Nation. Convinced that now it is indispensable to strengthen the union of the Americas in order to triumph in the unwavering undertaking to reestablish freedom in the world, I am confident that the important services which Pan American-Grace Airways Inc. has been rendering will be extended in the future, to the benefit of cultural, commercial, and personal relations between the men who foresee with faith the favorable future which Providence has in store for our peoples.

MANUEL PRADO

MAY 22, 1944.

I wish to thank Your Excellency for your cordial message on the fifteenth anniversary of the inauguration of the international airmail service between Peru and the United States by Pan American-Grace Airways, and I am pleased that you feel the efforts of the Company have contributed materially toward strengthening the bonds which unite both countries. I agree with you that it is necessary to strengthen the union of the Americas in order to carry to a satisfactory conclusion the struggle for freedom in which we are now

engaged and I believe that those enterprises which contribute to this end deserve our good wishes.

FRANKLIN D ROOSEVELT

[Released to the press May 23]

The following telegrams have been exchanged between President Roosevelt and His Excellency Carlos Arroyo del Rio, President of the Republic of Ecuador:

MAY 18, 1944.

Upon the occasion of the fifteenth anniversary of the flight by which there was inaugurated the airmail service between the United States and the countries of the west coast of South America, I am happy to send to Your Excellency, together with my cordial greetings, an expression of the approval with which Ecuador has observed the development of this service, which has contributed to bind together more closely the peoples of America. I express the hope which Ecuador cherishes that this development will be intensified each day as necessity requires and as solidarity of effort and destiny demand. I reiterate to Your Excellency the testimony of my friendship and consideration.

ARROYO DEL RIO
President of Ecuador

MAY 22, 1944.

I appreciate Your Excellency's friendly message on the fifteenth anniversary of the inauguration of the airmail service between the United States and the west coast of South America. The growth of this essential service in the past fifteen years gives ground for confidence that the future development of aviation will continue to strengthen the bonds of friendship and mutual understanding between the peoples of this hemisphere.

Please accept, Excellency, my warm personal regards and assurances of my highest esteem.

FRANKLIN D ROOSEVELT

THE NEW GOVERNMENT IN BOLIVIA ¹

Statement by the Secretary of State

[Released to the press May 26]

The Secretary of State made the following reply to inquiries received May 26: "Ambassador Warren² has now handed me his report. I am giving the matter attention and will forward his findings to the Foreign Ministers of the other American republics for their study and recommendations. The report should serve as the basis for an exchange of ideas and consultation among all of us."

VISIT OF RECTOR OF THE NATIONAL UNIVERSITY OF NICARAGUA

Dr. Modesto Armijo, rector of the National University of Nicaragua at Managua, has arrived in Washington as guest of the Department of State. He plans to spend two months visiting leading educational and cultural centers in Washington and in Eastern, Midwestern, and Southern States.

Dr. Armijo has held a Cabinet post as Minister of Education and has also been Chief Justice of the Supreme Court of Nicaragua. In the international field he has represented his country as Minister to Guatemala and delegate to many international conferences.

Among Dr. Armijo's most notable writings are a study on education in Nicaragua and his well-known work on the political status of women.

Dr. Armijo is head of the Nicaraguan-American Cultural Institute, an organization dedicated to furthering mutual acquaintance and cultural relations between citizens of the United States and Nicaragua. He is also a member of many literary and professional organizations and of the Academies of Geography and History of both Nicaragua and Honduras.

VISIT OF CUBAN HEALTH-UNIT DIRECTOR

Dr. Pedro Nogueira, director of the Marianao Health Unit in Cuba, has arrived in Washington at the invitation of the Department of State. During his six weeks' visit he will study public-health problems in Durham, N. C., Philadelphia, New York, and Albany. In June Dr. Nogueira plans to attend at Chicago the annual congress of the American College of Chest Physicians, of which he is a member.

Dr. Nogueira is also vice director of the rural-housing section of the Cuban Good Neighbor Foundation, which was created soon after Pearl Harbor with funds assigned by the Pro-Allied Aid Commission of Cuba. This group devotes part of its receipts to worthy causes in other Allied nations, and part to health and other public-welfare enterprises in Cuba. One of the most recent projects of the rural-housing section, to which Dr. Nogueira is devoting much attention, is demonstration work on the Murga farm in Marianao. There, at a total cost of \$2,800, 25 dwellings occupied by the families of farm laborers—156 persons—have been supplied with running water, latrines, and cement floors. Stagnant pools have been drained. A communal garden has been planted and is tended by the school children, and the school itself is giving health instruction and vaccinating the children against smallpox and other communicable diseases.

Far East

PAUL B. EATON RETURNS FROM CHINA

Paul B. Eaton, head of the mechanical engineering department at Lafayette College, has just returned from China, where he served for one year under the Department of State as a technical adviser to the Chinese Government. While in China Professor Eaton visited most of the government engineering universities, inspected many of the industries, and made a special trip over the railways in the southern part of west China. He met engineers engaged in education, management, design, and operation and gained an impression of the problems that they have been facing. Professor Eaton states that the Chinese engineers, undaunted by reverses, look eagerly to America and American engineers for aid, not only during the war but also in the post-war years, and that they desire aid in technological development and in the strengthening of management functions.

¹ BULLETIN of Dec. 25, 1943, p. 449, Jan. 8, 1944, p. 28, and Jan. 29, 1944, p. 132.

² Sent on special mission to Bolivia.

Near East

CONFERENCE OF GREEK POLITICAL LEADERS

[Released to the press May 22]

On May 16, 1944 the President received the following message from Professor Svolos and Messrs. Porphyrogennis and Roussos, three of the delegates attending the current conference of Greek political leaders in the Near East:

We, the representatives of Fighting Greece at the Conference for National Unity, wish to express to you our respectful admiration and gratitude for the friendly interest which you take in our country.

The Greek people, who are fighting in the towns and in the mountains against the most barbarous of tyrannies, will never allow themselves to be withdrawn from the camp of the Allies and of the United Nations who are fighting for freedom and amongst whom your great country occupies, under your illustrious leadership, so glorious a position.

Though the desire for national unity has led to actions as melancholy as the late mutinies in the Middle East forces, actions deplored and condemned by all, we can assure Your Excellency that the Greek people, by their struggle of yesterday, today and tomorrow and by the help of their great Allies, will succeed in rubbing out that dark page.

We rely on your sympathy which you have so often shown towards our country and we assure you that we will do our utmost to achieve that national unity which is an indispensable condition for the liberation, peace and well-being of our country which has endured so much from Italian, German and Bulgarian aggressors.

SVOLOS
PORPHYROGENNIS
ROUSSOS

The President sent the following reply under date of May 19:

I have received your welcome and reassuring message. We Americans are firm friends of the Greek people, who have fought so valiantly and suffered so direly during the course of the war, and have therefore been profoundly distressed by the recent disunity in Greek ranks. But we remember that the Greeks have always shown the capacity to submerge their differences and rally together in times of real national crisis. The occasion and the opportunity exist again today and it is our earnest hope and prayer that the Greek leaders assembled in the Near East will make of the current conference a new landmark of purposeful unity in Greek history.

ROOSEVELT

The Department

UNITED STATES SECTION OF ANGLO-AMERICAN CARIBBEAN COMMISSION

Departmental Order 1274 of May 23, 1944¹

1 Function of the Anglo-American Caribbean Commission. Under the terms of the joint communique issued by the Governments of the United States and Great Britain on March 9, 1942, the Anglo-American Caribbean Commission was created "for the purpose of encouraging and strengthening social and economic cooperation between the United States of America and its possessions and bases in the area known geographically and politically as the Caribbean, and the United Kingdom and the British Colonies in the same area." The Commission was further directed to include in its terms of reference close cooperation in social and economic matters between all regions adjacent to the Caribbean. The Chairman of the United

¹ Effective May 23, 1944.

States Section of the Commission reports directly to the President.

2 *Relationships of the United States Section to the Department.* In fiscal and administrative matters, the United States Section of the Anglo-American Caribbean Commission shall be under the jurisdiction of the Assistant Secretary in charge of the administration of the Department of State. Matters of policy affecting relations with possessions of European countries in the Caribbean area dealt with by the United States Section of the Commission shall be cleared through the appropriate Divisions of the Office of European Affairs. Those policy matters affecting relations with American Republics in the Caribbean area shall be cleared through the Division of Caribbean and Central American Affairs of the Office of American Republic Affairs. When necessary, the United States Section of the Commission and the geographic Offices shall consult with other interested Offices or Divisions of the Department. The United States Section of the Commission shall keep the Office of European Affairs and the Office of American Republic Affairs currently informed of matters which it is handling within their respective fields; those Offices, and other Divisions and Offices of the Department, particularly the Division of Communications and Records, shall keep the United States Section of the Commission currently informed of matters in which the United States Section is interested.

The United States Section shall be represented on the interdivisional Working Committee on Problems of Dependent Territories of the Division of International Security and Organization.

3 *Office location and routing symbol.* The offices of the Anglo-American Caribbean Commission are in the Otis Building, 810 Eighteenth Street, Northwest. The routing symbol of the United States Section of the Commission shall be AACC.

4 *Departmental Order amended.* Departmental Order 1218, January 15, 1944, page 22, is accordingly amended.

CORDELL HULL

MAY 23, 1944

APPOINTMENT OF OFFICERS

By Departmental Designation 9 of May 22, 1944, effective May 1, 1944, the Secretary of State designated Mr. Eugene H. Dooman and Mr. Edwin F. Stanton as Special Assistants to the Director of the Office of Far Eastern Affairs.

By Departmental Designation 10 of May 26, 1944, effective May 26, 1944, the Secretary of State has designated the following officers of the United States Section of the Anglo-American Caribbean Commission stationed in Washington: Mr. Charles W. Taussig, Chairman of the United States Section; Mr. Coert duBois, United States Commissioner, supervising field operations; Mr. Sidney de la Rue, Special Assistant to the Chairman; and Mr. John F. Gange, Executive Secretary.

Treaty Information

RENEWAL OF AGREEMENT WITH PANAMA FOR THE DETAIL OF A UNITED STATES ARMY OFFICER TO SERVE AS ADVISER TO THE MINISTER OF FOREIGN AFFAIRS OF PANAMA

There has been effected by an exchange of notes signed in Washington on April 26 and May 18, 1944, between the Ambassador of Panama in Washington and the Under Secretary of State, a renewal, for an additional period of one year, of an agreement providing for the detail of a United States Army officer to serve as adviser to the Minister of Foreign Affairs of Panama signed at

Washington on July 7, 1942 (Executive Agreement Series 258), and extended for a period of one year by an exchange of notes dated July 6 and August 5, 1943 (Executive Agreement Series 336). The renewal is effective from July 7, 1944.

CANADIAN MUTUAL-AID AGREEMENTS

The text of a mutual-aid agreement between the Government of Canada and the French Committee of National Liberation, signed at Ottawa on April 14, 1944, was printed in the *Bulletin* of May 13, 1944, pages 456-457. Similar agreements were concluded by the Government of Canada with the United Kingdom on February 11, 1944, the Union of Soviet Socialist Republics on February 11, 1944, Australia on March 9, 1944, and China on March 22, 1944. A statement by Prime Minister Mackenzie King regarding Canadian mutual aid appears in the March 16, 1944 issue of the *Canadian House of Commons Debates*, pages 1584-1586.

Legislation

The Jewish National Home in Palestine: Hearings before the Committee on Foreign Affairs, House of Representatives, 78th Cong., 2d sess., on H. Res. 418 and H. Res. 419, Resolutions Relative to the Jewish National Home in Palestine. February 8, 9, 15, and 16, 1944. With appendix of documents relating to the Jewish National Home in Palestine. ii, 512 pp.

Departments of State, Justice, and Commerce Appropriation Bill for 1945:

Hearings Before the Subcommittee of the Committee on Appropriations, United States Senate, 78th Cong., 2d sess., on H.R. 4204. A bill making appropriations for the Department of State, the Department of Justice, and the Department of Commerce, for the fiscal year ending June 30, 1945, and for other purposes. ii, 331 pp.

S. Rept. 887, 78th Cong., on H.R. 4204. [Favorable report.] 5 pp.

Appointment of Two Additional Assistant Secretaries of State. H. Rept. 1422, 78th Cong., on H.R. 4311. [Favorable report.] 2 pp.

Foreign Service Buildings and Grounds. H. Rept. 1421, 78th Cong., on H. R. 4282. [Favorable report.] 5 pp.

Providing That Nationals of the United States Shall Not Lose Their Nationality by Reason of Voting Under Legal Compulsion in a Foreign State. H. Rept. 1428, 78th Cong., on H. R. 2448. [Favorable report.] 3 pp.

Declaring the policy of the Congress with Respect to the Independence of the Philippine Islands. H. Rept. 1497, 78th Cong., on S. J. Res. 93. [Favorable report.] 2 pp.

Establishing the Filipino Rehabilitation Commission. H. Rept. 1507, 78th Cong., on S. J. Res. 94. [Favorable report.] 3 pp.

Limiting Production of Opium to Amount Required for Medicinal and Scientific Purposes. H. Rept. 1515, 78th Cong., on H. J. Res. 241. [Favorable report.] 4 pp.

National War Agencies Appropriation Bill, 1945. H. Rept. 1511, 78th Cong., on H. R. 4879. 43 pp.

Lend-Lease Aid: Preliminary Report of Committee Investigators to the Committee on Appropriations, United States Senate, on Lend-Lease Aid and Government Expenditures Abroad. S. Doc. 190, 78th Cong. ii, 34 pp.

Supplemental Estimates of Appropriations for the Department of State: Communication from the President of the United States transmitting supplemental estimates of appropriations for the fiscal year 1944, amounting to \$11,600,000, and a draft of proposed provisions pertaining to appropriations, for the Department of State. H. Doc. 578, 78th Cong. 3 pp.

Draft of Proposed Provision Pertaining to the Department of State: Communication from the President of the United States transmitting draft of a proposed provision pertaining to an appropriation of the Department of State for the fiscal year 1944. H. Doc. 587, 78th Cong. 2 pp.

Fifteenth Report to Congress on Lend-Lease Operations: Message from the President of the United States transmitting the Fifteenth Report on Lend-Lease Operations for the Period Ending March 31, 1944. H. Doc. 616, 78th Cong. 84 pp.

Publications

DEPARTMENT OF STATE

Boundaries of the Latin American Republics: An Annotated List of Documents, 1493-1943 (Tentative Version). By Alexander Marchant, Office of the Geographer, Department of State. Inter-American Series 24. Publication 2082. v, 386 pp. 50c.

Flight Strips Along Alaska Highway: Agreement Between the United States of America and Canada—Effectuated by exchange of notes signed at Ottawa August 26 and Sep-

tember 10, 1942. Executive Agreement Series 381. Publication 2112. 2 pp. 5c.

Status of Countries in Relation to the War April 22, 1944: Compiled by Katharine Elizabeth Crane, Division of Research and Publication, Department of State—Reprinted from the BULLETIN of April 22, 1944. Publication 2118. 10 pp. 5c.

OTHER GOVERNMENT AGENCIES

"Cuba in 1943", prepared in American Republics Unit, Bureau of Foreign and Domestic Commerce, on basis of report from Albert F. Nufer, Counselor of Embassy for Economic Affairs, U. S. Embassy, Habana, Cuba.

"The Foreign Service and American Business", by John G. Erhardt, Director, Office of Foreign Service Administration, Department of State.

"Economic Tug-of-War in Present-Day Spain", an article by Mr. Robert E. Whedbee of the Madrid Embassy in

collaboration with Mr. Arley T. Caudill of the European Unit of the Bureau of Foreign and Domestic Commerce.

Annual Report of the American Historical Association for the Year 1942 (in Three Volumes), Volume II: Letters from the Berlin Embassy 1871-1874, 1880-1885, Edited by Paul Knaplund, 78th Cong., 1st Sess. H. Doc. 12, 428 pp.

The first article listed under "Other Government Agencies" will be found in the May 13, 1944 issue of the Department of Commerce publication entitled *Foreign Commerce Weekly*. The second article will be found in the May 20, 1944 issue of that periodical. The third article is to be published in the May 27, 1944 issue.

Copies of *Foreign Commerce Weekly* may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each.

U. S. GOVERNMENT PRINTING OFFICE: 1944

For sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.
Price, 10 cents - - - Subscription price, \$2.75 a year

PUBLISHED WEEKLY WITH THE APPROVAL OF THE DIRECTOR OF THE BUREAU OF THE BUDGET